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NEW YORK TIMES
14 SEPTEMBER 1981

Beyond the Wilson Case

Ex-C.I.A. Agent's Acts Raise Broad Issues Involving the Agency and Transfer of Arms

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Special to The New York Times

WASHINGTON, Sept. 13 — As teams of investigators and prosecutors reconstruct the activities of Edwin P. Wilson, a former American intelligence-agent charged with illegally exporting explosives to Libya, a handful of other officials have been quietly studying some of the national and international issues the case raises.

The issues they are reviewing have touched a raw nerve in Government. Ultimately, if the Government is willing to confront the issues fully and seek reforms where necessary, the results could be more significant than the outcome of the criminal case against Mr. Wilson.

The Wilson case, for example, has revealed serious weaknesses in the laws, regulations and policies that govern the transfer of American arms and technology abroad, according to senior officials in the Reagan Administration. It has also demonstrated, they said, the inadequacy of United States criminal laws, which do not prohibit the training of terrorists abroad by American citizens or the sale of expertise in intelligence, arms and explosives by Americans to hostile foreign powers.

Federal investigators say that in 1978 Mr. Wilson, a former covert operative for the Central Intelligence Agency, negotiated a deal with the leader of Libya, Col. Muammar el-Qaddafi, to sell his expertise in intelligence and military matters for the training of terrorists in the militant Arab nation in North Africa.

C.I.A. Knowledge Questioned

In addition, the Wilson case has raised still unresolved questions about how much the C.I.A. knew of Mr. Wilson's activities and what the agency did to stop them. Although the agency has repeatedly denied any knowledge of, or involvement in, Mr. Wilson's activities, questions linger about unofficial links

between Mr. Wilson and senior agency employees. Some Federal investigators believe that Mr. Wilson may have received tacit approval from agency officials to establish his ties to Libya in the hope that they would produce intelligence unavailable from other sources.

"The issues raised by Wilson's conduct transcend the question of his criminal culpability," said a ranking official in the Justice Department. "They deal with fundamental questions about the responsibility and morality of government agencies and the effectiveness of some of our most basic laws."

Mr. Wilson's ties to Libya, one senior State Department official said, are contrary to American interests and, in effect, constitute a serious national security problem.

Although his activities are regarded as a particularly dramatic abuse, officials believe that they illustrate the damage to the national interest that former intelligence and military officials can do when they attempt to capitalize on information and skills they acquired while working for the Government. Federal investigators said that hundreds of such former employees are involved in exporting military equipment and advanced technology overseas.

Problem Called 'Frightening'

"We frankly don't know how much sensitive technology and military equipment is being smuggled to foreign countries," said a senior intelligence official. "The dimensions of the problem are frightening."

Some officials engaged in the review of the long-term issues believe that the Reagan Administration and Congress have failed to grasp the significance of the Wilson case and to take the kind of steps necessary to prevent similar abuses by former agents. They said that the Administration should appoint an interagency body to review the national security, trade and law enforcement problems exposed by the case.

The best way to explore the question of what the C.I.A. knew and when it knew it, these officials said, would be an investigation by the Senate or House Intelligence Committee. The Senate committee, according to its chairman, Senator Barry Goldwater, Republican of Ari-

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ration. The issues, according to Federal law-enforcement officials and a former associate of Mr. Wilson's, were paid to obtain inside information on military contracts useful to Control Data. Control Data says that it did employ one of Mr. Wilson's companies but that it knew of nothing improper in the performance of that contract.

Until a more organized examination of the long-term issues takes shape, the work will apparently be handled on an ad hoc basis by individual officials in various departments working without overall direction or coordination, several of these officials said.

Law May Not Cover Activities

At the Justice Department, senior officials have begun studying whether the Wilson case shows a need for changing the nation's criminal laws. "A lot of his activities," one official said, "seem to have fallen between various laws and may have exposed a problem area."

In general, Justice Department officials said, the Wilson case has revealed weaknesses both in the United States criminal code and in the way it is enforced. "It's a systemic problem," said one official. He added, "The problems cut across agency lines."

Specifically, officials are looking at the Espionage Act, the Export Administration Act, the Arms Export Control Act, the Logan Act and the Neutrality laws, all of which have some relationship to Mr. Wilson's reported activities in Libya. What they are finding, these officials said, is that the laws do not always directly address the kinds of things Mr. Wilson is accused of doing.

For example, the Espionage Act of 1917, prohibits the transfer of classified information by government employees. The training of terrorists, however, does not necessarily involve classified information, and Mr. Wilson apparently began working for Libya after he left government employment.

Law Can Be Circumvented

The Export Administration Act and the Arms Export Control Act, which govern the transfer of advanced technology and military equipment abroad, directly apply to some of Mr. Wilson's activities, but officials said that the laws could be circumvented by filing false papers with the Commerce De-

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